MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD REMOTELY - VIA MICROSOFT TEAMS ON THURSDAY, 16 JULY 2026 AT 10:00

Present

G Chapman – Chairperson - (Lay Member)

Present Virtually

A R Berrow	O Clatworthy	S Easterbrook	RM Granville
M L Hughes	J Llewellyn-Hopkins	RL Penhale-Thomas	

Lay Members – Present Virtually

A Bagley	B Olorunnisola

Apologies for Absence

D Austin

Officers:

J Norman	Acting Deputy Head of Finance

Declarations of Interest

None

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Officers:

Jake Morgan	Chief Executive
Carys Lord	Corporate Director – Finance and Transformation
Nigel Smith	Group Manager - Chief Accountant
Kate Pask	Corporate Policy & Performance Manager
Rachel Keepins	Democratic Services Manager
Simon Roberts	Senior Fraud Investigator
Andrew Wathan	Head of Regional Internal Audit Service
Nathan Smith	Assistant Audit Manager, Regional Internal Audit Service
David Williams	Audit Wales
Stephen Griffiths	Democratic Services Officer - Committees
Michael Pitman	Technical Support Officer – Democratic Services

304. Approval of Minutes

Decision Made	RESOLVED: The Minutes of the meeting on 18 June 2026 were approved as a true and accurate record.
Date Decision Made	16 July 2026

305. Governance and Audit Committee Action Record

Decision Made	The purpose of the report was to provide Members with an update on the Governance and Audit Committee Action Record (Appendix A). It was noted that although a report on the governance of Porthcawl Harbour had been due to be submitted to the Committee, it was proposed that a more appropriate way forward would be to request that the Regional Internal Audit Service (RIAS) carry out an investigation, rather than a full audit, of the issues of concern, and for the findings to be reported to the Committee after the work was completed. A Member noted that there was another audit report on Porthcawl Harbour, and the Chair proposed that, if appropriate and relevant, it could be appended to the report with the findings from the RIAS investigation.

	RESOLVED: The Committee noted the Action Record and provided comments, as appropriate. In addition, the Committee requested: • That the proposed work on the governance of Porthcawl Harbour be undertaken by RIAS. • That the Corporate Director – Finance and Transformation consult the Chair of the Governance and Audit Committee to finalise the audit brief for the work. • That the content of the existing audit report on Porthcawl Harbour be shared, if appropriate and relevant, with Members of the Committee when the findings from the requested work is reported to the Committee.
Date Decision Made	16 July 2026

306. Statement of Accounts 2025-26

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the unaudited Statement of Accounts for 2025-26 (Appendix A). It was noted that the Council's draft accounts did not yet contain figures for 2025-26 of its share of the Cardiff Capital Region City Deal (CCRCD) income, expenditure, assets and liabilities. In response to the report, Members discussed the following issues: • There was a typo in respect of the entry about the Swansea Bay Port Health Authority in the Precepts and Levies section (p.66) of the report. It referred to the Port Authority rather the Port Health Authority. • The amount owed (£1,253,947) to the Council, and the reasons for it, as of 31 March 2026 by Cwm Taf Morgannwg University Health Board. It was noted that it was a timing issue, linked to when the accounts were prepared. • The reasons for slippage in terms of capital projects, and it its impact on capital expenditure year-on-year.

	• The note regarding standards that had been issued but not yet adopted, and whether it could be made clearer when the standard would be adopted and its impact on the Council's accounts. • The increase in the number of officers (82 to 150) in the £60,000 - £64,999 remuneration band and whether an explanatory note would enhance the Statement. It was noted that this was the result of pay awards: the bandings were adopted in 2014 and had not changed since then, but since then there had been pay awards, which has pushed a number of staff into that band. • The interest rate environment in the year ahead and its potential impact on the Council's approach to evaluating Treasury Management risks. RESOLVED: The Governance and Audit Committee noted the unaudited Statement of Accounts 2025-26.
Date Decision Made	16 July 2026

307. Porthcawl Harbour Return 2025-26

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the unaudited Porthcawl Harbour Return for 2025-26 (Appendix A). In response to the report, Members discussed a couple of issues: • Given the £15,000 levy paid to the Swansea Bay Port Health Authority in 2025-26, there was a need to consider whether the levy should be acknowledged in the Return. The Group Manager - Chief Accountant indicated that he would need to look into that and would report back to a future meeting of the Committee. • Whether Porthcawl Harbour could be self-financing. • The accounting adjustments in respect of a share of corporate overheads. RESOLVED: The Governance and Audit Committee approved the unaudited Porthcawl Harbour Return 2025-26.
Date Decision Made	16 July 2026

308. Annual Governance Statement 2025-26

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the Annual Governance Statement 2025-26. RESOLVED: The Governance and Audit Committee approved the draft Annual Governance Statement and agreed to its inclusion within the unaudited Statement of Accounts 2025-26.
Date Decision Made	16 July 2026

309. Treasury Management Outturn Report 2025-26

Decision Made	The purpose of the report was to provide the Committee with an update of Treasury Management activity for the year 1 April 2025 – 31 March 2026. As at 31 March 2025 the Council had £99.72 million of long-term debt, £12.87 million of other long-term liabilities and an overall net debt position of £68.09 million. The average interest rate for debt was 4.63% and for investments it was 4.73%. The Council has a manageable maturity structure of borrowing, with its current debt repayable at various points over the next 30 years. In response to the report, Members discussed a couple of issues: • The Council's risk appetite for borrowing in order to achieve the transformation agenda. In response to the discussion, the Corporate Director – Finance and Transformation reminded Members that work was to be undertaken on risk appetite, with both officers and Members. This was the result of the Council's ambition to make significant changes across the Borough, the way it works, and the large school modernisation programme. All three would require significant investment and could have an impact on the Treasury Management strategy. • It was noted that the sale of assets would not be a significant source of money to support the

	capital programme in the future. The number of assets that were surplus to requirements was very small. Also, the Council remained dependent on Welsh Government grants. • There needed to be a clear understanding that when the Council borrows money, there is a revenue consequence to that. There would need to be a proper assessment of funding and the associated risk and revenue costs. • The Chief Executive noted that there was a cost to not borrowing when it came to maintaining assets for example, and that the Council was significantly under borrowed compared to any equivalent local authority in Wales or England. • The Council would need to be sensible moving forward but if the Council was going to be ambitious for its communities and invest in infrastructure, then choices would have to be made. • The team that produced the report were commended for their work. RESOLVED: The Governance and Audit Committee: • Noted the treasury management activities for the 2025-26 financial year. • Noted the Treasury Management Indicators for the period year ending 31 March 2026 against those approved in the Treasury Management Strategy 2025-26.
Date Decision Made	16 July 2026

310. Annual Corporate Fraud Report 2025-26

Decision Made	The purpose of the report was to provide Members of the Committee with the Annual Corporate Fraud Report 2025-26, which summarised the actions that have been undertaken in respect of counter fraud over the course of that year. The report also provided an update on the National Fraud Initiative exercise. In response to the report, Members discussed a number of issues: • Whether prosecutions were handled by an outside body. It was noted that they were all carried out internally by the Council's legal team. Anything that was investigated, leading to prosecution, alongside the Department for Work and Pensions as part of any joint working arrangements were conducted through the CPS.

	• Prosecutions linked to fraud in respect of grants and procurement. In response, it was noted that there had not been any prosecutions of this kind. • The attempts that had been made to pay Council Tax via fraudulent cheques. These had been identified and there had been no financial loss to the Council. • The time taken to complete some prosecutions. In respect of the specific case raised, It was noted that the delay was a result of the complexity of the investigation and the time it took to prepare the case, rather than anything to do with the court system. • The issue of the Comprehensive school which paid a supplier, whose bank details had also been changed, £967.20 that they had previously used for goods they never received and asked what was being done to ensure schools did not lose any more money. In response, it was noted that schools had been reminded of the processes to follow in relation to payments to minimise the risk of any attempted or actual fraud. The individual school will be subject to a visit by Internal Audit to review the processes in place and strengthen controls. • Whether, with the development of Artificial Intelligence (AI) and other technologies, the means and mechanisms by which fraud could be undertaken had changed and whether the Council was ready for it, both in terms of detection and being able to tackle it. In response officers noted they had not seen examples of attempted fraud as a result of AI but acknowledged that the quality of fake invoices had become an issue but there were systems in place to detect them. If there were weaknesses in the Council's finance systems, they were updated and strengthened and there was an extensive programme of cybersecurity testing and review. • The Chairperson asked if there was a reporting mechanism for the public to report allegations of fraud, and whether it could be done anonymously. In response, the Senior Fraud Officer noted that there was a mechanism but some fields in the form were mandatory and some, such as the ones to provide a name and address, were not. <u>RESOLVED</u>: The Committee noted the Annual Corporate Fraud Report 2025-26, the steps in place to support continual improvement, the work being undertaken to prevent and detect fraud and error and the update on the National Fraud Initiative. The Committee thanked the author for producing such a comprehensive report
Date Decision Made	16 July 2026

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311. Regulatory Tracker Update

Decision Made	The purpose of the report was to provide the Governance and Audit Committee with an update on the Regulatory Tracker with additional information and explanatory notes where recommendations have remained outstanding for a number of years. At quarter 4 2025-26 there were four audit/inspection reports published before 30 June 2024 which have a total of eight recommendations still open. These were as follows: • **Audit Wales, Digital Strategy Review** (April 2024) – Two recommendations (Amber). • **CIW Improvement Check Visit to Children's Social Care Services** (November 2022) – Two recommendations (Green). • **Transformational Leadership Programme Board, Baseline Governance Review CTM RPB** (January 2023) – Three recommendations (Yellow). • **Audit Wales, Review of Arrangements to Become a 'Digital Council'** (September 2021) – One recommendation (Amber) In response to the report, Members discussed a number of issues, including the following: • The Chairperson drew attention to 'PR8 - Ensure children are not placed in unregistered services and must continue its efforts to identify suitable, registered placements' (CIW Improvement Check Children's Social Care Services (Nov 2022), and the current delivery date of March 2030. He indicated that he would welcome an update on what is being done ahead of that date and how the actions are being monitored. In response, the Chief Executive indicated that the Council had no children placed in Operating Without Registration placements, and that the target date reflected the volatile nature of the current situation and how broken the market was for these kinds of placements. • He noted that local authorities had been slow to manage the market as it became increasingly fragmented, privatised, and subject to hedge funds using unregistered placements for their own purposes. • He set out the range of actions being undertaken ahead of that date. • The Chairperson responded by noting that it would be useful if, rather than having an end date of March 2030, that some of the detailed areas of the action plan were set out, as that would provide Members with assurance that the recommendations were being dealt with. The Chief Executive concurred and added that he hoped there would be no more placements of this kind, or if the

	situation arose it would be on an absolutely exceptional basis for a short period of time. • A Lay Member drew attention to 'PE11 - Ensure people consistently feel listened to and treated with dignity and respect' (under the same heading as the previous discussion), and the current delivery date of March 2027. He indicated that it was not clear why this remained outstanding. In response, the Chief Executive indicated that the issue was consistency, and that this was an area that was always going to be a work in progress. He thought they had reached the point where he could talk to the Corporate Director - Social Services and Wellbeing about signing this one off and that in future, it would be built into general working patterns. • A Lay Member thought it would be good to know what it would take to close an item. In response, the Policy & Performance Manager noted that there were plans to review the performance framework and some thought could be given to how to treat regulatory actions as it was unhelpful to treat them in the same way as corporate plan commitments. There were differences between them, but they were treated in the same way so that resulted in them remaining on the tracker when they probably did not need to be there. • The same Lay Member drew attention to the identified actions in respect of the development of a new Digital Strategy and asked whether they should have the same delivery date. In response, the Policy & Performance Manager indicated that she would talk to the officers concerned about the dates and update Members in due course. The Chief Executive added that he did not think the Digital Strategy had reflected the ambition the Council needed to have, and that a new Head of Digital was about to start work, and their initial task would be to finalise the Digital Strategy. • The same Lay Member requested an update in respect of the baseline governance review for the Transformational Leadership Programme Board – Cwm Taf Morgannwg Regional Partnership Board (Aug 2022). In response, the Policy & Performance Manager indicated that the Regional Lead was keen to work with Bridgend to see whether or not some of the actions that needed to remain open could be closed for Bridgend County Borough Council. She hoped to update Members with the outcomes from that discussion in the next report to the Committee. <u>RESOLVED</u>: The Governance and Audit Committee considered the summary points and the reasons for the remaining outstanding actions, identified areas requiring further action, and requested that the Chief Executive and the Policy & Performance Manager take those forward.
Date Decision Made	16 July 2026

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312. Forward Work Programme 2026-27

Decision Made	The purpose of the report was to seek approval for the updated Forward Work Programme for 2026-27, especially the items scheduled to be presented at the next meeting, to be held on 24 September 2026. It was noted that the proposed work on Porthcawl Harbour, discussed earlier in the meeting, should take its course and the findings could then be submitted to a meeting of the Committee when it is completed. RESOLVED: The Committee considered and approved the updated Forward Work Programme for 2026-27.
Date Decision Made	16 July 2026

313. Urgent Items

Decision Made	None
Date Decision Made	16 July 2026

To observe further debate that took place on the above items, please click this link.

The meeting closed at 11.31.

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